

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Rule making related to state small business credit initiative

The Economic Development Authority hereby adopts new Chapter 112, “State Small Business Credit Initiative (SSBCI),” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 15.106A.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 15.108.

Purpose and Summary

On October 11, 2022, the United States Department of the Treasury (Treasury) allocated \$96 million to the State of Iowa from the State Small Business Credit Initiative (SSBCI). The Authority will administer the funds through the following four programs approved by the Treasury:

- A loan participation program for Manufacturing 4.0 investments.
- A small business collateral support program.
- A venture capital innovation fund program.
- A venture capital co-investment fund program.

The new Chapter 112 outlines eligible uses of the funds and distinguishes the 2022 allocation from funds previously allocated to the State through the SSBCI in 2011. The 2011 allocation is addressed in 261—Chapter 117.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on January 25, 2023, as **ARC 6833C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Authority Board on March 17, 2023.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa beyond the federal funding allocated to the State by the Treasury.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on May 10, 2023.

The following rule-making action is adopted:

Adopt the following **new** 261—Chapter 112:

CHAPTER 112

STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI)

261—112.1(15) Purpose. The purpose of this chapter is to establish the eligible uses of the funds allocated to the state of Iowa on October 11, 2022, from the State Small Business Credit Initiative established by the United States Department of the Treasury. The funds are administered by the authority.

261—112.2(15) Definitions. For purposes of this chapter, unless the context otherwise requires:

“*Allocation*” means the funds allocated to the state of Iowa on October 11, 2022, from the SSBCI by the Treasury. “Allocation” does not include any funds allocated to the state of Iowa from the SSBCI prior to October 11, 2022.

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*SSBCI*” means the State Small Business Credit Initiative established by the Treasury.

“*Treasury*” means the United States Department of the Treasury.

261—112.3(15) Federal requirements. The allocation will be administered in accordance with all applicable federal laws, regulations, and guidance, including but not limited to any reporting requirements. The allocation will also be administered in accordance with any agreements between the state and Treasury relating to the SSBCI.

261—112.4(15) Eligible uses. Eligible uses of the allocation include the following:

1. A loan participation program for manufacturing 4.0 investments.
2. A small business collateral support program.
3. A venture capital innovation fund program.
4. A venture capital co-investment fund program.
5. Any other purposes approved by the Treasury.

261—112.5(15) Delegation of certain administrative functions. The authority may delegate certain administrative functions of the program to service providers who have entered into an agreement with the authority to provide such services. Functions that may be delegated pursuant to this rule include but are not limited to initial application review, tracking and monitoring of the applicant's progress, tracking and monitoring of contract terms and conditions, and provision of technical assistance to applicants. The

authority will retain, and not delegate, any other function not delegated to a service provider pursuant to any agreement entered into between the authority and a service provider.

These rules are intended to implement Iowa Code section 15.108(9) “*b.*”

[Filed 3/17/23, effective 5/10/23]

[Published 4/5/23]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 4/5/23.